

ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS

When it is not possible to determine the historical cost of capital assets owned by a governmental unit, the following procedure should be followed.

Develop an inventory of all capital assets which are significant for which records of the historical costs are not available. Obtain an estimate of the replacement costs of these assets. Through inquiry determine the year or approximate year of acquisition. Then multiply the estimated replacement cost by the factor for the year of acquisition from the Table of Cost Indexes. The resulting amount will be the estimated cost of the asset.

In some cases estimated replacement cost can be obtained from insurance policies; however, if estimated replacement costs are not available from insurance policies, you should obtain or make an estimate of the replacement costs.

If the replacement cost is estimated to be \$76,000.00 and the asset was constructed about 1928, then the estimated cost of the asset should be reported as \$6,080.00.

$$\$76,000.00 \times .08 = \$6,080.00$$

TABLE OF COST INDEXES

1913 to 2011

Year	Index	Year	Index	Year	Index	Year	Index
2011	1.00	1985	.48	1961	.13	1937	.07
2010	.97	1984	.46	1960	.13	1936	.06
2009	.95	1983	.44	1959	.13	1935	.06
2008	.96	1982	.43	1958	.13	1934	.06
2007	.92	1981	.40	1957	.13	1933	.06
2006	.90	1980	.37	1956	.12	1932	.06
2005	.87	1979	.32	1955	.12	1931	.07
2004	.84	1978	.29	1954	.12	1930	.07
2003	.82	1977	.27	1953	.12	1929	.08
2002	.80	1976	.25	1952	.12	1928	.08
2001	.79	1975	.24	1951	.12	1927	.08
2000	.77	1974	.22	1950	.11	1926	.08
1999	.74	1973	.20	1949	.11	1925	.08
1998	.73	1972	.19	1948	.11	1924	.08
1997	.71	1971	.18	1947	.10	1923	.08
1996	.70	1970	.17	1946	.09	1922	.08
1995	.68	1969	.16	1945	.08	1921	.08
1994	.66	1968	.16	1944	.08	1920	.09
1993	.64	1967	.15	1943	.08	1919	.08
1992	.62	1966	.14	1942	.07	1918	.07
1991	.61	1965	.14	1941	.07	1917	.06
1990	.58	1964	.14	1940	.06	1916	.05
1989	.55	1963	.14	1939	.06	1915	.05
1988	.53	1962	.13	1938	.06	1914	.05
1987	.51	1913	.04				
1986	.49						